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SUBJECT: Spanish Film Campaign: Promotion or Protectionism?

1. Spain's film industry has kicked off 2004 with a campaign aimed at promoting Spanish films by belittling those "made in the USA." Despite the campaign's anti-American tone, there's no need for Hollywood to worry yet. GOS policy, as voiced by President Aznar, suggests that the introduction of market access barriers is highly unlikely.

2. Spanish film producers started the New Year with the aim of improving their box office profits. Although film production in Spain increased from 114 movies in 2002 to 126 movies in 2003, the ten most-seen Spanish films accounted for 70% to 80% of Spanish film sales. In an attempt to promote Spanish movies, producers from the Federacin de Asociaciones de Productores Audiovisuales (Fapae) initiated a campaign based on the slogan "You need to come see us." The aim of the producers was to remind viewers that Spanish films are different from international films. While Fapae said the campaign wasn't anti-Hollywood, the ads obviously referred to the U.S.

3. The campaign consisted of three commercials that were screened in theaters or aired on television for a period of fifteen days. The president of Fapae Pedro Perez made a press statement assuring that the message is not against anyone, not even Hollywood. "Taxista" or taxi-driver was the first commercial, which underscored the difference between Spanish culture, when two taxi-drivers meet and greet each other using hand-shakes and gestures, reflecting those of hip-hop. Another commercial "Halloween," questions why aspects of foreign cultures are adopted into Spanish culture. The message of the last of three advertisements, "Batedor" or baseball batter, was that Spanish cinema is equally capable of producing movies. Although the commercials are comical, they make obvious references to American culture, complicating Perez' claim that these campaigns are not targeted at, as the newspaper El Mundo put it, its "archenemy the American cinema."

4. Despite the anti-U.S. overtones, it's unlikely the U.S. film industry should be concerned about a backlash against American films in Spain. We spoke with Secretary General Estela Artacho de Fedicine, a confederation representing American film and Spanish film industries. Although Spanish producers would support protectionist measures, Artacho opined that given the present Aznar administration's liberal trade policies and its strong ties to the U.S., protectionist measures are unlikely. In his recent trip to the U.S., Aznar condemned the French degree of cultural protectionism. Currently, the only form of protection in Spain is a long-standing movie quota of one EU-film for every three non EU-films. Artacho was convinced that the American film industry was not significantly affected by this quota.

5. A closer look at the Spanish film sector can explain that the campaign is not driven politically, but rather, it has been initiated by the economics of the film sector. For the second consecutive year, movie attendance has dropped sharply in Spain. For 2002 and 2003, there was a total loss of nearly 17 million viewers. On the other hand, there were some minimal improvements for Spanish films, which gained 500,000 viewers—an increase in market share from 13.7% to 16% in 2003.

6. CONCLUSION. Last year's sales figures have been an eye-opener for Spanish film producers. They have opted to attract more viewers to their films by branding their film industry. For now, the U.S. film industry will probably be unaffected by the new campaigns. The possibility of other measures being taken depends largely on the future situation of the Spanish film sector.